

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2006-89-G - ORDER NO. 2006-344
JUNE 8, 2006

IN RE: Application of Piedmont Natural Gas Company, Inc. to Modify Tariffs and Service Regulations) ORDER APPROVING) CHANGES TO RATE) SCHEDULES AND) SERVICE) REGULATIONS
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This matter comes before the Public Service Commission of South Carolina (the Commission) on the Petition of Piedmont Natural Gas Company, Inc. (Piedmont or the Company) for approval of limited changes to its rate schedules and service regulations in order to implement additional protective measures for itself and its transportation customers in the context of third-party agent operations on the Piedmont system. According to the Company, these proposed tariff changes are prompted by actual events on the Piedmont system this winter which have negatively impacted both Piedmont and its customers and which have highlighted risks associated with the operations of third-party agents on Piedmont's system in certain circumstances.

Pursuant to the instructions of the Commission's Docketing Department, the Company published a Notice of Filing in newspapers of general circulation in the Company's service area. Hess Corporation filed a Petition to Intervene in the case, but later stated that it had no objection to the Company's request for summary disposition of

the matter without a hearing. Accordingly, we dispose of the matter summarily through this Order.

Piedmont's Application seeks authorization to implement limited additional provisions in the Company's tariffs applicable to the use of third-party agents by customers receiving transportation service under Rate Schedules 213 and 214. Specifically, Piedmont proposes that third-party agents designated by Rate Schedules 213 and 214 be required to execute a Customer Agent Agreement Form setting forth certain creditworthiness and imbalance management requirements. Piedmont contends that, based on recent experience, these requirements are necessary and appropriate to protect both Piedmont and its customers from potential risks associated with the activities of third-party agents on its system. In summary, Piedmont's Application seeks to make the following tariff revisions: (a) adopt certain clarifying changes to Piedmont's Agency Authorization Form; (b) set forth for inclusion in Piedmont's tariffs as Appendix A to Piedmont's South Carolina Service Regulations a form of Customer Agent Agreement; and (c) require all third-party agents authorized to act on behalf of Piedmont's customers to be "eligible," with eligibility defined by the execution of and compliance with a Customer Agent Agreement.

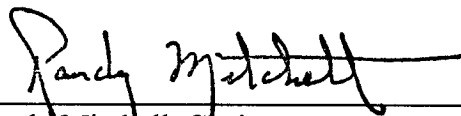
S.C. Code Ann. Section 58-5-240 (G) (Supp. 2005) states that rates or tariffs may be put into effect without a hearing upon order of the Commission when such rates or tariffs do not require a determination of the entire rate structure, overall rate of return, any rate increase to the public utility, or are for experimental purposes. In the present case, we hold that the rate and/or tariff changes do not require a determination of the

entire rate structure and overall rate of return. Further, the changes do not result in any rate increase to the public utility. Accordingly, we can proceed to rule without a hearing.

We hold that the proposed limited changes to rate schedules and service regulations proposed by Piedmont should be approved. We agree that the changes protect both Piedmont and its customers from potential risks associated with the activities of third-party agents on the Piedmont system. Piedmont's Agency Authorization Form is clarified, and third party eligibility is better defined. Accordingly, the proposed changes to rate schedules and service regulations are approved as filed.

This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:



Randy Mitchell, Chairman

ATTEST:



G. O'Neal Hamilton, Vice-Chairman

(SEAL)